

J.J. NEWBERRY CO.

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1968 ANNUAL REPORT



# About Newberrys...

## UNITED STATES

*Britts* 

Full line department stores

*Newberrys* 

Department and variety stores and fabric shops

*Hested's* 

Department and variety stores

*Lee's* 

Department and variety stores

*Taylors*

Ladies' dress shop

*W<sup>m</sup>  
Tally House*

Free standing restaurants and cafeterias

**Holland House** Free standing restaurants and cafeterias

## CANADA

**UNITED**

Department and variety stores

*Britts*

Full line department stores



**OSLINDS**

Full line department stores

*Sweet Sixteen*

Women's specialty shops



J. J. NEWBERRY CO., 245 FIFTH AVENUE, NEW YORK, N.Y. 10016



# Comparative Highlights

	1968†	1967†
Sales .....	\$376,098,046	\$360,317,631
Net Earnings .....	\$ 5,456,641	\$ 5,033,632
Earnings Per Common Share .....	\$ 2.59	\$ 2.38
Dividends Per Common Share .....	\$ .80	\$ .60
Depreciation and Amortization .....	\$ 4,045,000	\$ 3,694,000
Working Capital .....	\$ 59,128,364	\$ 61,521,246
Current Ratio .....	2.4 to 1	2.6 to 1
Common Stockholders' Equity .....	\$ 73,035,246	\$ 69,165,188
Book Value Per Common Share .....	\$37.19	\$35.35
Number of Units at Year-end:		
United States .....	511	514
Canada .....	153	30

†Years which end January 31st of the subsequent year.

The common and preferred stocks of J. J. Newberry Co. are listed on the New York Stock Exchange.

The annual meeting of stockholders will be held at the Prince George Hotel (28th Street east of 5th Avenue) New York City at 11 A.M. on Tuesday, June 10, 1969.





# Contents

Comparative Highlights .....	1
Letter to Shareholders .....	2
Operations in the United States .....	4
Merchandising .....	6
Consolidated Statement of Income and Retained Earnings .....	7
Consolidated Balance Sheet .....	8
Notes to Financial Statements .....	10
Ten Year Summary Highlights .....	12
Auditors' Report .....	13
Consolidated Statement of Source and Application of Funds .....	14
Fabric Shops .....	15
Food Service .....	16
Operations in Canada .....	18
Officers & Directors .....	20
Map of Store Units .....	22



# To Our Shareholders

We are pleased to report that for the fiscal year ended January 31, 1969, both sales and earnings were higher than for the prior fiscal year.

Sales--including Canadian operations--rose to a record high of \$376,098,046, a gain of 4.4% over sales of \$360,317,631 for the fiscal year ended January 31, 1968.

Earnings before taxes were \$11,206,641, some 22.9% greater than the \$9,118,632 attained in the prior fiscal year.

Net earnings rose to \$5,456,641 or \$2.59 a share. This represents a gain of 8.4% over net earnings of \$5,033,632 or \$2.38 a share for the fiscal year ended January 31, 1968.

The impact of increased taxes on the past fiscal year's net earnings is noteworthy. The effective rate of Federal Income Taxes increased to 51.3% from 44.8%, principally because of the 10% surtax. This new tax reduced net earnings for the fiscal year just ended by \$550,000, or 28 cents per common share.

## DIVIDENDS

During the fiscal year ended January 31, 1969, regular quarterly dividends of 20 cents per common share, or a total of 80 cents for the year, were declared. This represents an increase of 33 $\frac{1}{3}$ % over the prior fiscal year.

In addition, the regular quarterly dividends on preferred shares were declared.

Your Board of Directors will continue to consider adjustments in the rate of common stock dividends depending upon earnings and our cash requirements necessary for expansion.

## EXPANSION PROGRAM

Our principal expansion in 1968 took place in Canada, where we acquired the 57 unit Oslind chain and the 55 unit Sweet Sixteen chain. Both operate women's specialty shops.

In addition, your company opened 21 new units. In the United States, these included one Britts department store, three fabric shops and five free

standing restaurants and cafeterias. Included in Canada were nine Oslind Shoppes, two Sweet Sixteen stores and one United department store. As a result, the company had a total of 664 units in operation at year-end. During the year 26 existing stores were refurbished and modernized.

In 1969 and 1970 we plan to open a total of 125 new units, most of them in shopping centers or other prime locales. Consequently, by the end of 1970 we should have close to 800 units in operation in the United States and Canada.

Real estate commitments necessary to accomplish this objective are either completed or progressing satisfactorily. The opening of these units will depend, however, on the ability of the builders and developers--with whom we have signed leases--to deliver the completed buildings on schedule, an increasingly difficult task because of tight money market conditions.

## EXECUTIVE CHANGES

Because of Newberrys growth and accelerated expansion program, your Board of Directors deemed it necessary to strengthen the Company's management staff by promoting key executives.

At a meeting held on January 27, 1969 the following promotions were made:

Walter C. Straus, President, became Chairman and Senior Corporate Officer. His principal functions will involve the development and future growth of the company.

Dean S. Campbell, Executive Vice President, became President and Chief Executive Officer.

Daryl D. Milius, Senior Vice President in Charge of Merchandising, became Executive Vice President and Chief Administrative Officer.

Farr J. Porter became Vice President-Merchandising and Sales promotion. He was formerly Vice President in charge of the Central Region, with headquarters in Omaha, Nebraska.

John J. Newberry, Jr. became Senior Vice President. He was formerly Vice President-Public Relations and will continue to function in that area.



### NEW DIRECTORS

At the Company's last annual meeting, shareholders elected three new directors. These outstanding men are:

Joseph D. Farrell, consultant to the Fidelity Union Trust Co., Newark, New Jersey and formerly Vice President of the First National City Bank of New York.

Philip F. Leach, President of Leach & Gardner Company, fabricators of precious metals, and its affiliate General Findings, Inc., both based in Attleboro, Mass.

Joseph H. Taggart, Executive Dean, Schools of Business, and Dean, Graduate School of Business Administration, New York University.

### REALIGNMENT OF RETAIL OPERATIONS

Our retail operations were restructured as of February 1, 1969. As a result, stores are no longer supervised regionally, but by type. This was accomplished through the creation of four new divisions: Britts Department Stores, Newberry Department Stores, Newberry Variety Stores, and Newberry Fabric Shops. In addition, we have two other previously created divisions--Food Service and Canadian Operations.

This realignment will promote greater efficiency because each division now specializes in only one area of retailing. The Corporate staff in New York coordinates the activities of these six divisions. The interchange of ideas and suggestions is already proving to be most beneficial for present and long-range planning.

### LOOKING AHEAD

We look forward to continued growth in 1969 from internal expansion and possible acquisitions. Acquisitions may involve the same type of operations in which Newberry is now engaged as well as other profitable fields of retailing or food service.

Our growth program also offers increased opportunities to all our personnel. In anticipation of our manpower needs, the company presently has



Walter C. Straus

Dean S. Campbell

over 300 men-in-training as future store managers and executives.

Our new organizational structure should enable our existing stores to take advantage of the many opportunities for improving profit margins.

We want to express our appreciation to the many thousands of dedicated people--our co-workers--who have helped make 1968 a successful year. Their loyalty and continued efforts should ensure your Company's profitable progress.

Respectfully submitted,

*Walter C. Straus*  
Walter C. Straus  
Chairman

*Dean S. Campbell*  
Dean S. Campbell  
President

April 11, 1969



# Operations in the United States

Newberrys retailing operations are sufficiently diversified to meet the various needs of millions of customers from coast to coast.

At the beginning of 1969, the Company's retail units in the United States consisted of 22 Britts Department Stores, 234 Newberry Department Stores and 241 Newberry Variety Stores. About 40 new Department and Variety Stores are planned to be opened by the end of 1970.

Our Britts Department Stores emphasize nationally advertised brand name merchandise.

The Newberry Department Stores feature our



*Upper Left:* Typical Lingerie Department.

*Upper Right:* View of men's furnishings department in a Britts Store.

*Lower Left:* Planning and supervising store operations, training personnel, locating sites and planning for new stores are among the responsibilities of the men you see here.

*They include standing: (left to right)*

B. W. Maxson, Fabric Shops Division Manager; T. M. Williams, Vice President, Variety Stores Division Manager; G. L. Kelly, Vice President, Britts Division Manager; A. E. Baxter, Vice President, Newberry Department Stores Division Manager.

*Seated: (left to right)* H. J. Meyer, General Operations Manager; H. D. Ellsworth, Vice President, Director of Personnel; D. D. Milius, Executive Vice President; W. J. O'Brien, Vice President, Director of Real Estate; R. H. Ewen, Director of Store Planning.

*To the Right:* Entrance to the Newberry Department Store located on the mall in Mentor, Ohio.



private label merchandise, the range of which is constantly being increased.

Newberry Variety Stores, which are smaller in size, carry predominantly convenience-type merchandise. There is a very definite need for such stores just as there is for large full line department stores. Consequently, we have scheduled 10 new Variety Stores to be among the 40 units to be opened within the next two years.

A typical Newberry or Britts Department Store has 26 merchandise departments. Besides the many categories of clothing for women, men and children,

these stores offer wide assortments of other soft goods ranging from sheets and pillow cases to curtains and draperies, plus furniture, toys, toiletries, housewares, hardware, appliances and food.

Newberrys caters to the changing wants of customers. New products and fashions, as well as upgraded merchandise, are constantly being added to our lines in keeping with added demands, accelerated by higher incomes. Attractive displays, imaginative advertising and promotional campaigns are coordinated to capture the customers' attention.





# Merchandising

In a population that is getting younger all the time, youth is having a marked effect on merchandising operations. Teenagers are responsible for many style innovations, and these in turn influence their parents.

Shopping is a family affair and Newberrys objective is to provide for the varied needs of all members of the family. Much attention is given by the Merchandise Division, therefore, to having the right merchandise available at the right time. This

involves the study of fashion, styling and economic trends, and deciding how best to maximize their potential.

Customers today want merchandise displayed in related groups. These natural groupings have greater appeal and make shopping easier. Store fixtures are continuously modernized to present the merchandise in attractive surroundings.

Another aid to merchandise selection by the customer is colorful and informative packaging and labeling. Such packaging helps to improve displays, thereby promoting impulse buying.



*Upper Left:* Marilyn Cozzens, a Newberry Fashion Coordinator.

*Upper Right:* A ladies wear department.

*Lower Left, standing: (left to right)*

E. D. Trevorrow, Sales Promotion and Advertising Director; A. T. Mahoney, Assistant to Director of Merchandise and Sales Promotion; R. W. Conley, Merchandise Manager—Men's and Boys' Wear, Footwear and Domestics; C. L. Jorgensen, Merchandise Manager—Ladies' Accessories, Intimate Apparel and Children's Wear; H. L. Bumann, Merchandise Distribution and Merchandise Control Director.

*Seated:* J. E. Kraus, Merchandise Manager—Smallwares and Hardlines; F. J. Porter, Vice President—Director of Merchandise and Sales Promotion; M. J. King, Merchandise Manager—Women's Outer Wear.



## J. J. Newberry Co. and Subsidiaries

	<u>1969</u>	<u>1968</u>
<b>LIABILITIES:</b>		
<b>CURRENT LIABILITIES:</b>		
Canadian bank advances .....	\$ 1,296,476	
Accounts payable and accrued liabilities .....	35,746,206	\$ 30,081,002
2.9% Sinking Fund Notes .....		3,500,000
Current instalments on long-term debt (Note 3) .....	1,769,906	1,583,574
Reserve for store closing program (Note 4) .....	775,000	1,298,000
Federal income taxes .....	3,075,000	1,751,000
Deferred federal income taxes (Note 2) .....	766,000	337,000
<b>TOTAL CURRENT LIABILITIES .....</b>	<b>43,428,588</b>	<b>38,550,576</b>
<b>LONG-TERM DEBT (Note 3) .....</b>	<b>18,531,516</b>	<b>20,301,421</b>
<b>RESERVE FOR STORE CLOSING PROGRAM (Note 4) .....</b>	<b>7,545,000</b>	<b>8,554,000</b>
<b>OTHER LONG-TERM LIABILITIES .....</b>	<b>760,525</b>	<b>631,413</b>
 <b>STOCKHOLDERS' EQUITY:</b>		
<b>CAPITAL STOCK (Notes 5 and 6):</b>		
Cumulative preferred stock, par value \$100 per share; authorized, 125,000 shares, issuable in series; issued and outstanding, 95,050 shares, 3¾% series (redeemable at \$101.50 per share, plus accrued dividends) .....	9,505,000	10,000,000
Common stock, no par value; authorized, 5,000,000 shares; issued, 2,017,020 shares .....	13,864,431	13,550,999
<b>RETAINED EARNINGS (Note 3) .....</b>	<b>59,433,067</b>	<b>55,913,017</b>
	82,802,498	79,464,016
Less, 53,018 shares of common stock held in treasury, at cost .....	262,252	298,828
	82,540,246	79,165,188
	<u><u>\$152,805,875</u></u>	<u><u>\$147,202,598</u></u>

The accompanying notes are an integral part of the financial statements.



# Notes To Financial Statements

1. The accompanying financial statements include the accounts of the Company and all subsidiaries, including three Canadian subsidiaries—United Stores of Canada, Limited, Oslind Shoppes Limited and Sweet Sixteen, Ltd.—acquired as of April 1, 1967, February 1, 1968 and August 1, 1968, respectively.

The purchase agreements underlying the acquisitions of Oslind and Sweet Sixteen provide for contingent future payments, not to exceed \$740,000, based on earnings (as defined) of these companies through 1971. At January 31, 1969, the Company has accrued \$154,000 for contingent payments under these agreements based on earnings through that date. The sellers of Sweet Sixteen have the option of receiving common stock of the Company based on market quotations at the time of acquisition (see Note 6), or alternatively, cash.

The excess of the purchase price of the above acquisitions (\$2,845,000, including amounts accrued for contingent payments) over the underlying net book assets at the dates of acquisition, which the Company believes is of such nature that amortization is not required, is included in deferred charges and other assets on the balance sheet.

2. For financial reporting purposes, on a recurring basis:

- a) Profits from all sales are recognized at time of sale; and
- b) Depreciation on property and equipment is provided principally on the straight-line basis.

For tax reporting purposes, the corresponding accounting practices are to:

- a) Defer profits on certain credit sales to future periods by use of the instalment method of accounting; and
- b) Provide for depreciation by use of accelerated methods.

Accordingly, current operations are charged for income taxes deferred to future periods which are directly related to the aforementioned differences of reporting income for financial and tax purposes.

Deferred federal income taxes comprised:

	January 31, 1969	January 31, 1968
Deferred income tax reductions, net—noncurrent:		
Related to store closing program (Note 4)	\$3,622,000	\$4,106,000

Other	913,000	917,000
Less, deferred tax credits principally resulting from use of accelerated depreciation methods	<u>3,293,000</u>	<u>2,790,000</u>
	<u>\$1,242,000</u>	<u>\$2,233,000</u>

Deferred income taxes, net—current:

Applicable to gross profit on instalment sales	\$1,138,000	\$ 960,000
Less, tax reduction related to store closing program (Note 4)	<u>372,000</u>	<u>623,000</u>
	<u>\$ 766,000</u>	<u>\$ 337,000</u>

Certain captions included in the Company's January 31, 1968 balance sheet have been reclassified in order to separately disclose net current and noncurrent deferred federal income taxes.

3. At January 31, 1969, long-term debt comprised:

	Current	Noncurrent	Total
Mortgages Payable	\$ 210,376	\$ 124,758	\$ 335,134
3¾% Sinking Fund Notes, payable to May 15, 1976	500,000	5,500,000	6,000,000
3½% Notes, payable from January, 1970 to 1975	26,530	505,758	532,288
5¼% Subordinated Notes, payable from October, 1969 to 1981	<u>1,033,000</u>	<u>12,401,000</u>	<u>13,434,000</u>
	<u>\$1,769,906</u>	<u>\$18,531,516</u>	<u>\$20,301,422</u>

The mortgages bear interest at various rates from 3¾% to 5% and are payable in various amounts through July 1, 1976.

The sinking fund note indenture provides for annual sinking fund payments of \$500,000 through May 15, 1975, and the balance of \$2,500,000 payable on May 15, 1976. The Company has the option of making certain additional sinking fund payments annually, without premium.

Certain prepayment privileges are available to the Company with respect to the long-term notes payable which provide for declining premium payments.

The notes and supplemental agreements contain certain covenants restricting the amount of retained earnings available for the payment of cash dividends or for acquisition of the Company's capital stock. At January 31, 1969, approximately \$10,100,000 of retained earnings is free of such restrictions.



4. During the year ended January 31, 1967, the Company's Board of Directors authorized the adoption of a program to dispose of certain unprofitable stores in that and subsequent years. Extraordinary, nonrecurring charges incurred in connection with such store closing program are charged to the reserve previously provided for that purpose.

5. On June 11, 1968, the stockholders approved amendments to the Company's Certificate of Incorporation which provide for: (a) an increase in the amount of authorized common stock from 2,500,000 to 5,000,000 shares; (b) authorization of a new class of 1,500,000 shares of subordinate preferred stock, issuable in series with designations, rights and preferences to be fixed by the Board of Directors at the time of issuance; no shares of this class of stock have been issued; (c) establishment of a sinking fund to be used for the purchase or redemption annually of 2,500 shares of outstanding 3¾% cumulative preferred stock. During the period from June 11, 1968 through January 31, 1969, the Company purchased 4,950 shares of this class of stock for sinking fund purposes. The excess (\$189,528) of par value over cost of the preferred stock acquired has been credited to capital surplus, which is included in the common stock account.

6. At January 31, 1969, 57,265 shares of common stock are reserved for issuance under the Company's Stock Option Plan for Key Employees. The plan authorized the granting of options to key employees to purchase shares of common stock for 110% of the fair market value at the date of grant. Options expire five years from date of grant, and generally become initially exercisable two years from date of grant to the extent of 20% annually (on a cumulative basis). During the year ended January 31, 1969, options for 7,210 shares at \$21.36 per share were exercised and options for 5,000 shares were cancelled. The excess of the proceeds of stock options exercised (\$118,311) over the cost of treasury stock issued has been credited to the common stock account. At January 31, 1969, options for 57,265 shares at \$19.94 per share are outstanding; no further options may be granted under the plan.

At January 31, 1969, 4,755 shares of common stock are reserved for future issuance under the Incentive Stock Bonus Plan; during the year ended January 31, 1969, 179 shares

were issued to eligible participants. The excess (\$5,593) of fair market value of these shares at date issued over the cost of treasury shares distributed has been credited to the common stock account.

At January 31, 1969, 163,381 shares of common stock are reserved for warrants, expiring on October 1, 1981, to purchase common stock at a price of \$49.33 per share; no warrants were exercised during the year ended January 31, 1969.

At January 31, 1969, 15,503 shares of common stock are reserved in connection with the acquisition of Sweet Sixteen Ltd. (see Note 1).

7. The provisions for federal income taxes have been reduced by Investment Tax Credits in the amounts of \$200,000 and \$269,000 in the years ended January 31, 1969 and 1968, respectively.

8. For accounting purposes, the acquisitions of the Canadian subsidiaries (see Note 1) have been treated as purchases. Accordingly, the operations of these companies have been included in the consolidated statements of income since the respective dates of acquisition. In this connection, net sales and net income aggregated \$24,192,000 and \$122,000, respectively, for 1969 and \$11,593,000 and \$335,000, respectively, for 1968. At January 31, 1969, the net assets of these Canadian companies aggregated \$5,691,000.

9. At January 31, 1969, the Company had long-term leases on buildings, fixtures and equipment expiring between 1973 and 2047 (without consideration of renewals). Minimum aggregate annual rentals under such leases, exclusive of realty taxes and other charges, approximate \$20,700,000. Certain of the leases provide for additional rentals based upon sales.

10. The Company and all domestic and one Canadian subsidiary have contributory trustee (self-administered for Canadian subsidiary) retirement plans for all eligible employees which provide for retirement benefits based on age, earnings and length of service. Pension costs under these plans approximated \$410,000 and \$500,000 (before income tax effect) for the years ended January 31, 1969 and 1968, respectively. The Company's policy is to fund pension cost accrued.



## 10 Year Summary Highlights

Dollar Amounts (Except Per Share Earnings and Book Values) Shown in Thousands.

YEAR‡	1968	1967	1966	1965	1964	1963
Number of units .....	664	544	529	548	575	574
Sales .....	\$ 376,098	\$ 360,318	\$ 353,868	\$ 355,667	\$ 336,281	\$ 319,344
Earnings before federal taxes .....	\$ 11,207	\$ 9,119	\$ 6,688	\$ 6,895	\$ 2,894	\$ 3,856*
Net earnings after federal taxes (Note 1) .....	\$ 5,457	\$ 5,034	\$ 4,403	\$ 4,413	\$ 2,015	\$ 2,556*
Net earnings per share (Note 1) .....	\$ 2.59	\$ 2.38	\$ 2.06	\$ 2.08	\$ 0.85	\$ 1.53*
Shares of common stock outstanding .....	1,964,002	1,956,613	1,956,529	1,888,690	1,874,583	1,860,017
Merchandise inventories .....	\$ 85,298	\$ 80,922	\$ 72,768	\$ 77,082	\$ 68,310	\$ 74,480
Common stockholders' equity .....	\$ 73,035	\$ 69,165	\$ 65,678	\$ 68,328	\$ 64,753	\$ 62,511
Book value per share of common stock .....	\$ 37.19	\$ 35.35	\$ 33.57	\$ 35.12	\$ 33.54	\$ 32.63
Ratio of current assets to current liabilities .....	2.4	2.6	3.0	3.3	3.6	2.7

Note 1—Exclusive of special items, net of tax effects, amounting to a charge in 1966 of \$6,876 (\$3.51 per share); a credit in 1964 of \$338 (\$0.18); a charge in 1963 of \$2,220 (\$1.15 per share); and credits in 1962 of \$455 (\$0.24 per share) and in 1961 of 1,206 (\$0.64 per share).

\*Indicates loss.

‡1965 through 1968 are years ended January 31st of the subsequent year; 1959 through 1964 are years ended December 31st.



## J. J. Newberry Co. and Subsidiaries

1962	1961	1960	1959
567	564	559	462
\$ 312,511	\$ 291,237	\$ 265,818	\$ 238,008
\$ 3,639	\$ 6,567	\$ 9,390	\$ 11,242
\$ 1,929	\$ 3,486	\$ 4,779	\$ 5,590
\$ 0.82	\$ 1.65	\$ 2.35	\$ 3.22
1,843,915	1,831,620	1,816,719	1,570,405
\$ 84,772	\$ 74,978	\$ 60,481	\$ 50,286
\$ 67,665	\$ 68,885	\$ 67,729	\$ 60,908
\$ 35.63	\$ 36.51	\$ 36.20	\$ 37.66
2.9	3.5	3.3	3.1

## Auditors' Report

To the Board of Directors and Stockholders,

J. J. NEWBERRY CO.:

We have examined the consolidated balance sheet of J. J. NEWBERRY CO. and SUBSIDIARIES as of January 31, 1969 and the related consolidated statement of income and retained earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We previously examined and reported upon the consolidated financial statements of the Company and its subsidiaries for the year ended January 31, 1968.

In our opinion, the aforementioned financial statements present fairly the consolidated financial position of J. J. Newberry Co. and Subsidiaries at January 31, 1969 and 1968, and the consolidated results of their operations for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

We have made a similar examination of the consolidated statement of source and application of funds which, in our opinion, when considered in relation to the basic financial statements, presents fairly the source and application of funds of J. J. Newberry Co. and Subsidiaries for the year ended January 31, 1969.

LYBRAND, ROSS BROS. & MONTGOMERY

New York, March 21, 1969.



# Consolidated Statement of Source and Application of Funds

Year ended January 31

J. J. Newberry Co. and Subsidiaries

1969

## SOURCE:

Net income .....	\$ 5,456,641
Depreciation and amortization .....	4,045,000
Deferred income taxes .....	991,000
	<u>\$ 10,492,641</u>

## APPLICATION:

Net additions to property and equipment, less dispositions in connection with store closing program of \$207,000 .....	\$ 5,845,933
Property and equipment of Oslind Shoppes Limited and Sweet Sixteen, Ltd. at dates of acquisition .....	719,311
Cash dividends:	
Common stock .....	\$ 1,568,795
Preferred stock .....	<u>367,796</u>
Net decrease in long-term debt and other long-term liabilities .....	1,640,793
Increase in deferred charges and other assets .....	1,588,903
Reduction in non-current reserve for extraordinary losses in connection with store closing program .....	1,009,000
Net decrease in capital stock .....	144,992
Decrease in working capital .....	2,392,882
	<u>\$ 10,492,641</u>



## Fabric Shops

The three Newberry Fabric Shops opened in 1968 are the forerunners of what we expect to be a highly successful chain devoted exclusively to the sale of fabrics and sewing accessories.

These fabric shops fill a vital need. Millions of women and teenagers are home-sewers. The younger set is particularly eager to wear the newest fashions. They also desire a variety of changes, often within a limited clothing allowance. Furthermore, the increasing variety of fabrics, versatile as never before,

are attracting more and more women to their sewing machines.

At the Newberry Fabric Shops our customers find, along with attractively displayed bolts of fabric for every use and every description, a full collection of pattern books, all kinds of notions and accessories, even a fashion and home decorating library.

In a period when individuality of dress is a fad among young girls, as well as the not-so-young women who are nevertheless young in heart, home-sewing is becoming an attractive hobby through which Newberrys can profit.





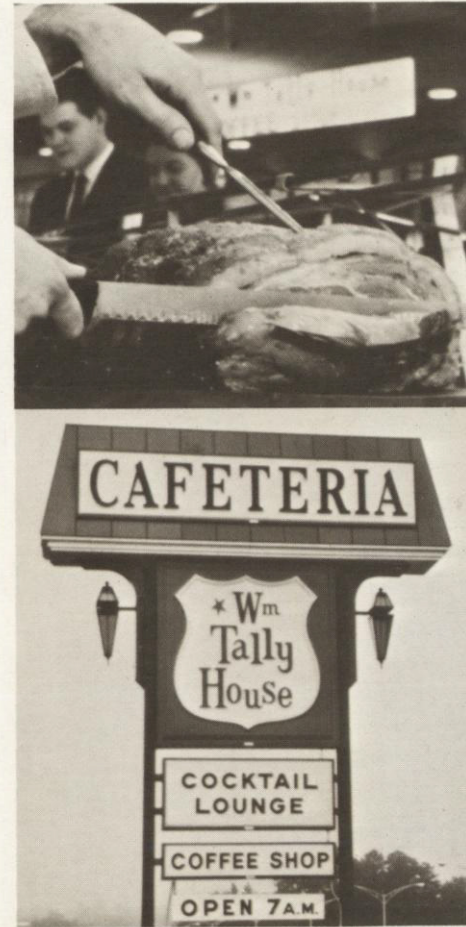
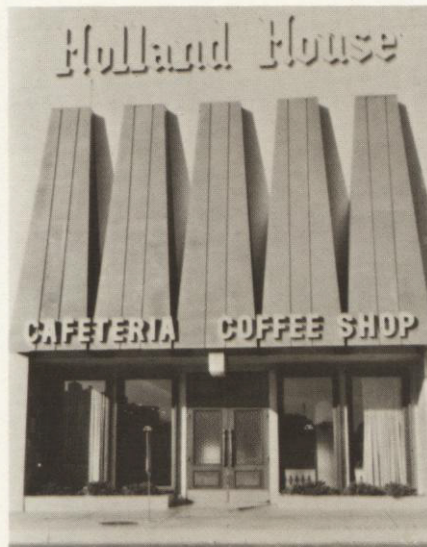
## Food Service

Newberrys has long been known as a "good place to eat." The menus at our snack bars, cafeterias, coffee shops and restaurants offer a variety of excellent food, attractively served and fairly priced.

Originally, the company had only snack bars and fountains in its stores. When larger stores were constructed, cafeterias and table service were

provided. In 1968, over 350 Newberry stores in the United States had eating facilities.

The opening of free standing restaurants and cafeterias (units which are not located within a store) was a natural outgrowth of Newberrys experience in this profitable field. Fourteen restaurants and cafeterias--some with cocktail lounges--are currently in operation. Those in the East are known as "Wm. Tally House," and those in the West are called "Holland House."



In 1968, more than 30 million people were served in a Newberry snack bar, cafeteria, coffee shop, or free standing restaurant, according to William H. Jones (left), Vice President in charge of Food Services.

The favorite dish at restaurants and cafeterias is--in most locales--roast beef, usually carved before your eyes.

Among Newberrys many local patrons are youngsters, who enjoy anything at our stores from an ice cream soda to a salad (right).



In 1968, five free standing restaurants were opened, four in Florida and one in Mississippi. They are located in Tallahassee, Tarpon Springs, Ft. Myers and Deerfield Beach, Florida and in Biloxi, Mississippi.

We expect eleven new free standing restaurants and cafeterias to be opened in 1969. Already opened is the Wm. Tally House restaurant, coffee shop and cocktail lounge in North Adams, Mass. and the Wm. Tally House cafeteria in York, Pennsylvania. Soon to be opened are restaurants or cafeterias in

Naples, Florida; Escondido, California; Ellsworth, Maine; and Bryan, Texas.

Like the merchandise we sell in the stores, the food that is served is rigidly tested. The maintenance of a test kitchen, evaluation of new recipes, and use of the latest equipment, have been prime factors in steadily enhancing Newberrys reputation in the food field.

Menus--at snack bars or restaurants--are, of course, geared to local tastes. Special foods are often featured to attract new customers.





## Operations in Canada

In 1968, Newberrys expanded its Canadian operations by acquiring two well-known women's specialty shop chains: Oslind Shoppes, Ltd., which had 57 units principally in the provinces of Ontario and Quebec, and Sweet Sixteen, Ltd., which had 55 units in the western provinces of Alberta and British Columbia.

The company entered the Canadian market in 1967, acquiring what is now known as United Stores of Canada, a 31 unit junior department store and variety store chain, operating principally in the provinces of Ontario and Quebec.

The 1968 acquisitions greatly expanded our Canadian operations and, at year-end, the company had over 150 units coast to coast. We expect that Oslind Shoppes and Sweet Sixteen will expand rapidly in 1969 and 1970. A combined total of about 40 units will be opened in these two years.



*Upper left:* Recently remodeled Sweet Sixteen store, in Vancouver, B.C.

*Upper right:* Interior of the new United store in Pierrefonds, Quebec.

*Lower left:* Attending opening of Pierrefonds store: M. Tollinsky, Store Manager; A. Theoret, Mayor of Pierrefonds; W. C. Straus, Chairman, J. J. Newberry Co.

*To the Right:* Oslind's store located in Mall of Cornwall, Ontario, opened in 1968.



Osling Shoppes and Sweet Sixteen, which have been growing in popularity, specialize in ready to wear apparel and accessories for women, teenagers and children. Because of the success of these two chains, there is a likelihood that Newberry may open similar types of stores in the United States.

United Stores of Canada, in addition to refurbishing a number of its variety and junior department stores, will also expand. In 1969, a new full line Britts Department Store--similar to those in the United States--has already been opened.

Two more stores are planned to be opened this year and possibly four more in 1970. Canada is growing rapidly and the standard of living is constantly rising. We have found that just as our customers in the United States are purchasing high style, high quality merchandise, more and more Canadians are also anxious to do so. Such merchandise is available through Britts Department Stores, which have unlimited growth potential.



# OSLING







*Top Picture:*

Board of Directors Meeting (left to right)  
 Joseph D. Farrell/Ben R. Gordon/Mollie N. Gronauer/  
 Daryl D. Milius/Mervin G. Pallister/Dean S. Campbell/  
 Walter C. Straus/E. Walter Forsman (attending by  
 invitation)/F. Stark Newberry/Louis D. Miltimore/  
 Thomas L. Zimmerman/Joseph H. Taggart/  
 Richard W. Meyer  
 Missing: John J. Newberry, Jr./Philip F. Leach

*Center Picture: (left to right)*

M. G. Pallister, Secretary  
 J. J. Newberry, Jr., Sr. Vice President

*Bottom Picture: (left to right)*

E. H. Schroeder, Treasurer  
 J. A. Heely, Controller  
 H. D. Von Oesen, Vice President—Financial Planning  
 E. W. Forsman, Financial Vice President





# Officers and Directors

## OFFICERS:

Chairman of the Board, W. C. STRAUS

President, D. S. CAMPBELL

Executive Vice-President, D. D. MILIUS

Senior Vice-President, J. J. NEWBERRY, JR.

Financial Vice-President, E. W. FORSMAN

### Vice-Presidents:

G. L. KELLY, Britts Division

A. E. BAXTER, Department Stores Division

T. M. WILLIAMS, Variety Stores Division

B. R. GORDON, Canadian Operations

W. H. JONES, Food Service

W. J. O'BRIEN, Real Estate

H. D. ELLSWORTH, Personnel

F. J. PORTER, Merchandising and Sales Promotion

H. D. VON OESEN, Financial Planning

Treasurer, E. H. SCHROEDER

Secretary, M. G. PALLISTER

Controller, J. A. HEELY

Assistant Treasurer, C. W. HALL

Assistant Secretary, R. J. HARLOW

Assistant Controller, W. R. HOLLOWAY

## DIRECTORS:

D. S. CAMPBELL

J. D. FARRELL

B. R. GORDON

MOLLIE N. GRONAUER

P. F. LEACH

R. W. MEYER

D. D. MILIUS

L. D. MILTIMORE

F. S. NEWBERRY

J. J. NEWBERRY, JR.

M. G. PALLISTER

W. C. STRAUS

J. H. TAGGART

T. L. ZIMMERMAN

## EXECUTIVE OFFICES

245 Fifth Ave., New York, New York 10016

## TRANSFER AGENT

The Chase Manhattan Bank, N.A.

## REGISTRAR

Morgan Guaranty Trust Co. of New York

## AUDITORS

Lybrand, Ross Bros. & Montgomery



# Newberrys 664 Units in the United States and Canada

## BRITTS DEPARTMENT STORE DIVISION

Britts .....	22
Taylors .....	1

NEWBERRY 23

## DEPARTMENT STORE DIVISION

Newberrys .....	216
Hested .....	17
Lee .....	1

234

## NEWBERRY VARIETY STORE DIVISION

Newberry .....	175
Hested .....	45
Lee .....	19

239

## NEWBERRY FABRIC SHOPS DIVISION

Fabric Shops .....	3
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## FREE STANDING RESTAURANTS & CAFETERIAS

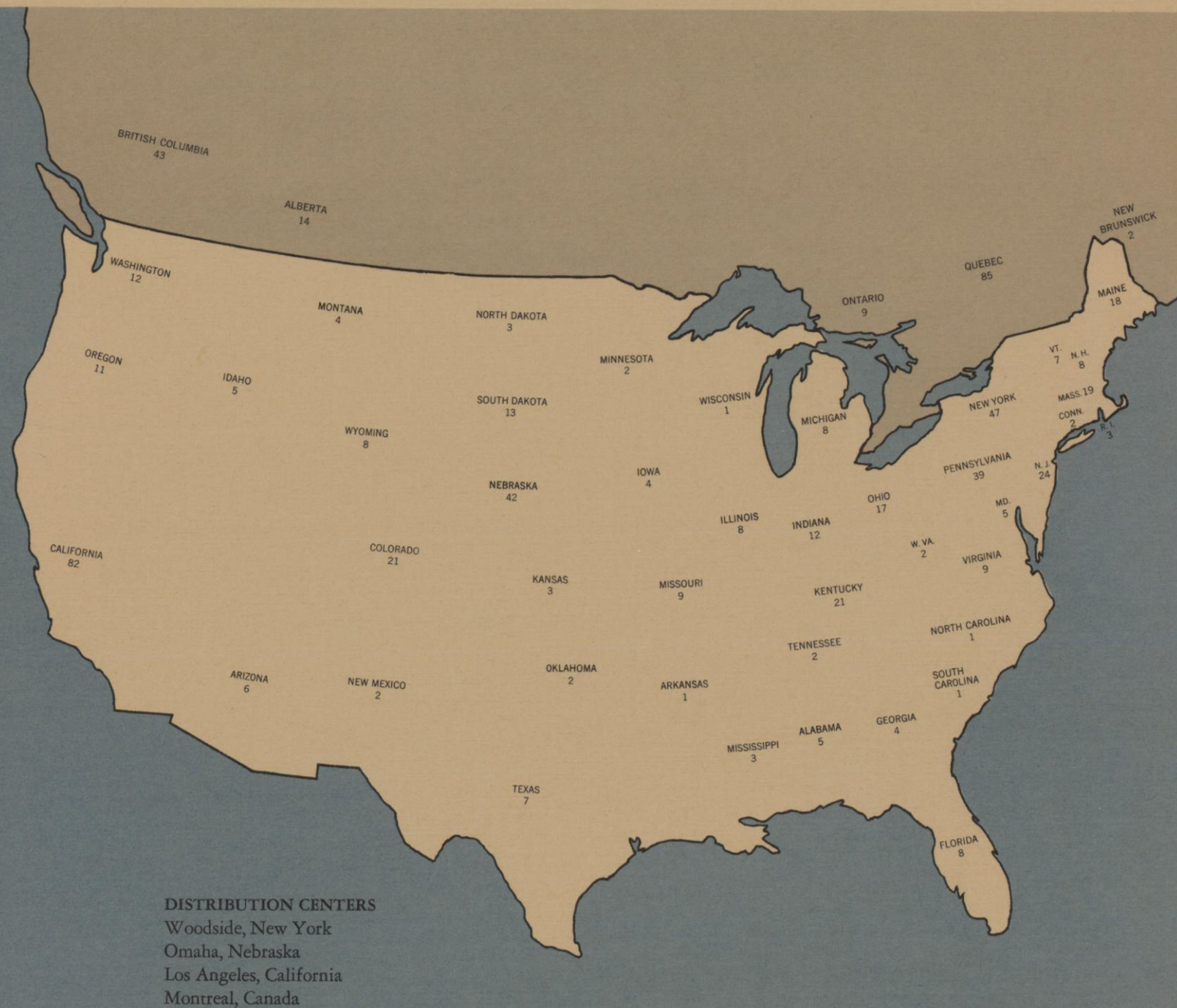
Wm. Tally House .....	8
Holland House .....	4

12

## CANADA

United .....	31
Os lind .....	65
Sweet Sixteen .....	57

153

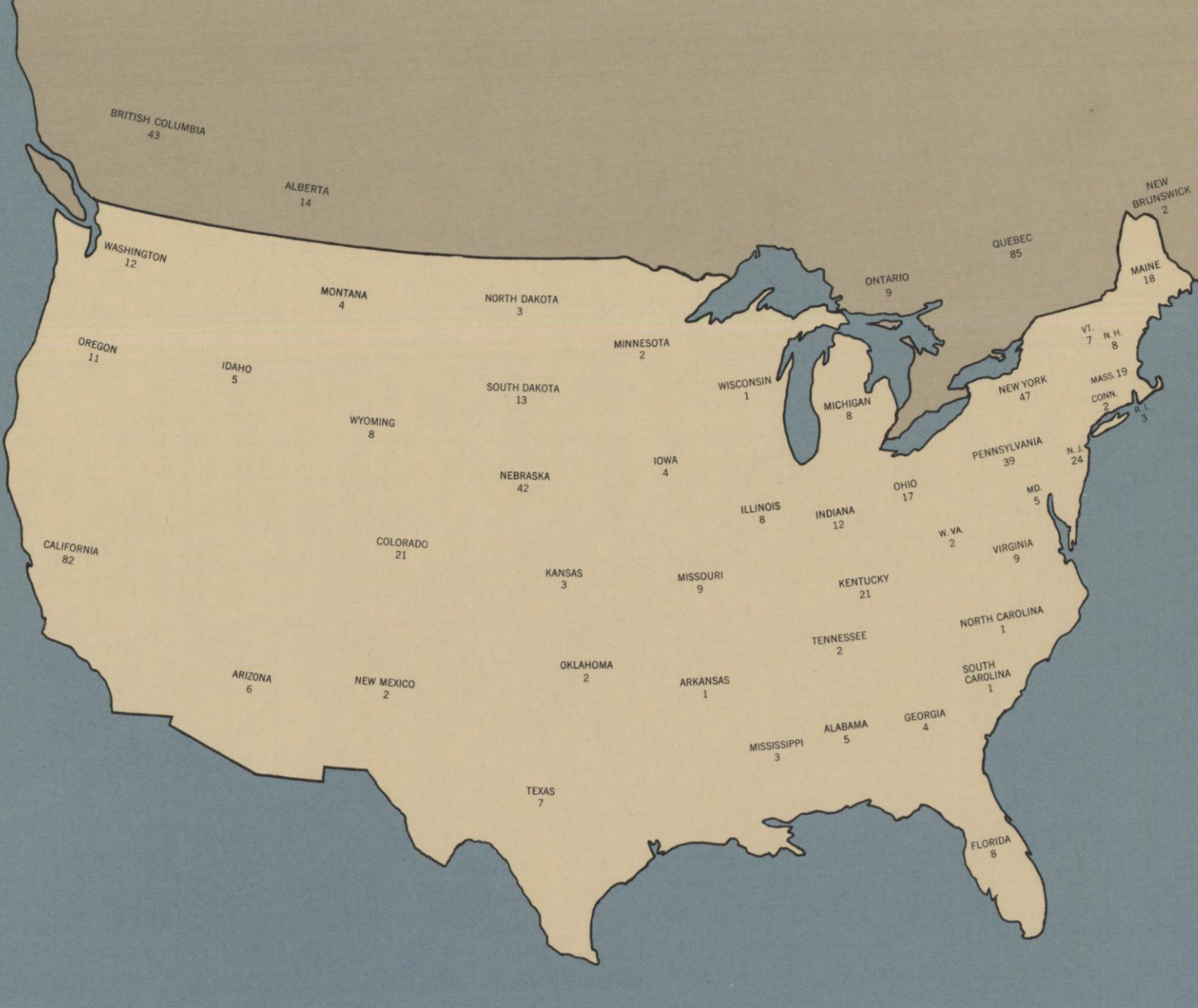




Newberrys  
664 Units in the United States and Canada







# Canada

## UNITED STORES

**QUEBEC—29**  
 Charlesbourg  
 Chicoutimi  
 Dorval  
 Drummondville  
 Granby  
 Jacques Cartier  
 Joliette  
 Jonquiere  
 Lachine  
 Laval  
 Montreal (4)  
 Pierrefonds  
 Quebec (3)  
 Rimouski  
 Shawinigan  
 Sherbrooke  
 Sorel  
 St. Hyacinthe  
 St. Jean  
 Trois Rivières (2)  
 Valleyfield (2)  
 Verdun

**ONTARIO—1**  
 Ottawa

**NEW BRUNSWICK—1**  
 Saint John

## OSLIND SHOPPES

**QUEBEC—56**  
 Beaconsfield  
 Beloeil (2)  
 Chambly  
 Chomedey  
 Dollard des Ormeaux  
 Dorval  
 Drummondville  
 Duvernay  
 Granby  
 Hull  
 Ile Perrot  
 Jacques Cartier  
 Lachine (2)  
 LaSalle (2)  
 Laval  
 Longueuil  
 Montreal (20)  
 Pont Viau  
 Quebec City  
 Rosmere

Sherbrooke  
 St. Eustache  
 St. Jean  
 St. Jerome (2)  
 St. Laurent (2)  
 St. Michel  
 Verdun (3)  
 Victoriaville  
 Ville Emard  
 Westmount

**ONTARIO—8**  
 Brockville  
 Cornwall (3)  
 Kingston  
 Ottawa (3)

**NEW BRUNSWICK—1**  
 Bathurst

## SWEET SIXTEEN

**BRITISH COLUMBIA—43**  
 Abbotsford  
 Campbell River  
 Chilliwack  
 Courtenay  
 Dawson Creek  
 Haney  
 Kamloops  
 Kelowna  
 Kimberley  
 Langley  
 Nanaimo  
 Nelson  
 New Westminster (2)  
 North Burnaby (2)  
 North Delta  
 North Surrey  
 North Vancouver (2)  
 Penticton  
 Powell River  
 Prince George (2)  
 Prince Rupert

Port Alberni  
 Quesnel  
 Richmond  
 South Burnaby  
 Terrace  
 Trail  
 Vancouver (7)  
 Vernon  
 Victoria (2)  
 West Vancouver  
 Williams Lake

**ALBERTA—14**  
 Calgary (4)  
 Camrose  
 Edmonton (3)  
 Grande Prairie  
 Lethbridge (2)  
 Medicine Hat  
 Red Deer  
 Stettler



# United States

**ALABAMA 5**  
Birmingham (2)  
Birmingham (T)  
Birmingham (HH)  
Dothan

**ARIZONA 6**  
Douglas  
Mesa  
Phoenix (4)

**ARKANSAS 1**  
Hot Springs

**CALIFORNIA 82**  
Alhambra  
Alhambra (B)  
Bakersfield (2)  
Bell  
Bellflower  
Beverly Hills  
Brawley  
Buena Park  
Burbank (2)  
Compton (3)  
Compton (HH)  
Culver City  
Downey  
El Centro  
Fresno  
Garden Grove  
Glendora  
Granada Hills  
Hollywood  
Huntington Park  
Inglewood  
LaMirada  
Long Beach  
Los Angeles (14)  
Los Angeles (HH)  
Los Angeles (B)  
Merced  
Millbrae (B)  
Monterey Park  
Norwalk  
Oakland  
Ontario  
Palos Verdes Peninsula  
Pomona  
Porterville  
Redondo Beach (2)  
Reseda  
Salinas  
San Diego (4)  
San Francisco  
San Jose  
San Mateo  
San Pablo  
San Pedro (2)  
Santa Ana  
Santa Barbara  
Santa Monica (2)  
Stockton  
Sunland  
Sunnyvale  
Thousand Oaks  
Torrance (2)  
Vallejo  
Van Nuys  
Ventura  
Visalia  
West Covina  
Whittier

**COLORADO 21**  
Alamosa (H)  
Arvada (H)  
Aurora (H)  
Craig (H)  
Delta (H)  
Denver (5) (H)  
Florence (H)  
Fort Collins (H)  
Glenwood Springs (H)  
Golden (H)  
Grand Junction (H)  
Greeley (2) (H)  
Monte Vista (H)  
Pueblo  
Rocky Ford (H)  
Sterling (H)

**CONNECTICUT 2**  
Hartford  
Torrington

**FLORIDA 8**  
Bradenton (WT)  
Deerfield Beach (WT)  
Ft. Lauderdale (B)  
Ft. Meyers (WT)  
Pensacola  
Sea Ranch (WT)  
Tallahassee (WT)  
Tarpon Springs (WT)

**GEORGIA 4**  
Atlanta  
Columbus  
Macon (2)

**IDAHO 5**  
Boise  
Idaho Falls  
Lewiston  
Pocatello  
Twin Falls

**ILLINOIS 8**  
Caton  
Collinsville  
Granite City  
Litchfield  
Macomb  
Melrose Park  
Rock Island  
West Frankfort

**INDIANA 12**  
Auburn  
Connersville  
Decatur  
East Chicago  
Goshen  
Hammond  
Hartford City  
Indiana Harbor  
Jasper  
Marion  
Martinsville  
Whiting

**IOWA 4**  
Carroll (L)  
Denison (L)  
Glenwood (L)  
Storm Lake (L)

**KANSAS 3**  
Coffeyville  
Marysville (H)  
Parsons

**KENTUCKY 21**  
Bardstown  
Central City  
Corbin  
Cynthiana  
Danville  
Elizabethtown  
Frankfort  
Glasgow  
Harlan  
Harradtsburg  
Hazard  
Henderson  
Lebanon  
Mayfield  
Mt. Sterling  
Owensboro  
Paris  
Pineville  
Richmond  
Somerset  
Winchester

**MAINE 18**  
Brunswick  
Calais  
Caribou  
Dover-Foxcroft  
Eastport  
Ellsworth (B)  
Farmington  
Fort Kent  
Lincoln  
Madawaska

Mars Hill  
Millinocket  
Norway  
Presque Isle  
Rockland  
Rumford  
Van Buren

**MARYLAND 5**  
Annapolis (B)  
Brunswick  
Elkton  
Hagerstown  
Pocomoke City

**MASSACHUSETTS 19**  
Bridgegewater  
Chelsea  
Clinton  
Fall River  
Falmouth  
Franklin  
Gardner  
Haverhill  
Leominster  
Newburyport  
North Adams  
Northampton  
North Attleboro  
Peabody  
Pittsfield  
Stoughton  
Wakefield  
Westfield  
Whitman

**MICHIGAN 8**  
Alma  
Calumet  
Houghton  
Iron River  
Ishpeming  
Ludington  
Port Huron  
Three Rivers

**MINNESOTA 2**  
Moorhead  
Pipestone (L)

**MISSISSIPPI 3**  
Biloxi  
Biloxi (WT)  
Meridian

**MISSOURI 9**  
Columbia  
Excelsior Springs  
Kansas City  
Maplewood  
Poplar Bluff  
Richmond Heights  
St. Louis (B)  
St. Louis  
Springfield

**MONTANA 4**  
Billings  
Great Falls (H)  
Hardin (H)  
Missoula

**NEBRASKA 42**  
Ainsworth (L)  
Albion (L)  
Alliance (H)  
Auburn (H)  
Aurora (H)  
Beatrice (H)  
Bellevue (H)  
Broken Bow (H)  
Central City (H)  
Chadron (H)  
David City (L)  
Fairbury (H)  
Falls City (H)  
Geneva (H)  
Gering (H)  
Gordon (L)  
Grand Island (H)  
Grand Island  
Hastings (H)

Hebron (H)  
Holdrege (H)  
Kimball (H)  
Lincoln (H)  
McCook (H)  
Minden (H)  
Nebraska City (H)  
Neligh (H)  
Norfolk (H)  
Ogallala (L)  
Omaha (4) (H)  
O'Neill (L)  
Ord (L)  
Ralston (H)  
Sidney (L)  
Superior (H)  
Tecumseh (H)  
Valentine (L)  
West Point (H)  
York (H)

**NEW HAMPSHIRE 8**  
Concord  
Concord (B)  
Dover  
Franklin  
Laconia  
Littleton  
Plymouth  
Portsmouth

**NEW JERSEY 24**  
(Incl. 3 Fabric Shops)  
Asbury Park  
Atlantic City  
Boonton  
Brick Town (B)  
Caldwell  
Dover  
East Brunswick  
Freehold  
Freehold (B)  
Hackettstown  
Keyport  
Long Branch  
Millville  
New Brunswick  
Newton (B)  
Paramus  
Red Bank  
Springfield  
Verona  
Vineland  
Wildwood  
(Fabric Shops)  
Chatham  
Florham Park  
Somerville

**NEW MEXICO 2**  
Las Vegas  
Raton

**NEW YORK 47**  
Albion  
Batavia  
Bayshore  
Binghamton (B)  
Canandaigua  
Canton  
Canton (B)  
Catskill  
Cobleskill  
Cooperstown  
Corning  
Cortland  
Elmira  
Endicott  
Gloversville (B)  
Gloversville  
Gouverneur  
Greenpoint  
Hicksville  
Hornell  
Hudson  
Ithaca  
Kingston (B)  
Lyons  
Malone  
Manhasset  
Massena  
Middletown  
Northville  
Ogdensburg  
Oneonta  
Ossining

Owego  
Penn Yan  
Perry  
Port Jervis  
Salamanca  
Saranac Lake  
Saratoga Springs  
Saugerties  
Ticonderoga  
Tupper Lake  
Valley Stream  
Walton  
Watertown  
Wellsville  
Whitehall

**NORTH CAROLINA 1**  
Monroe

**NORTH DAKOTA 3**  
Bismarck (L)  
Minot  
Rugby (L)

**OHIO 17**  
Ashland  
Ashtabula  
Bryan  
Bucyrus  
Cambridge  
Chillicothe (B)  
Cincinnati  
Cleveland  
Conneaut  
Coshocton  
East Palestine  
Findlay (B)  
Mentor  
New Philadelphia  
Palmsville  
Tiffin  
Wooster

**OKLAHOMA 2**  
Okmulgee  
Sapulpa

**OREGON 11**  
Astoria  
Bend  
Eugene  
Medford (2)  
Portland (3)  
Portland (HH)  
Roseburg  
Salem

**PENNSYLVANIA 39**  
Berwick  
Bradford  
Carbondale  
Chambersburg  
Coalport  
Coatesville  
Danville  
Downingtown  
DuBois  
Ephrata  
Forest City  
Freeland  
Jim Thorpe  
Jersey Shore  
Kennett Square  
Lansford  
Lewisburg  
Lock Haven  
Mahanoy City  
Milton  
Mt. Carmel  
Newport  
Northampton  
Oxford  
Pottstown  
Pottstown (B)  
Renovo  
Royersford  
Sayre  
Shamokin  
Shenandoah  
Somerset  
Stroudsburg  
Sunbury  
Tamaqua

Towanda  
Waynesboro  
Wellsboro  
Williamsport (B)

**RHODE ISLAND 3**  
Newport  
Warren  
West Warwick

**SOUTH CAROLINA 1**  
Camden

**SOUTH DAKOTA 13**  
Aberdeen  
Belle Fourche (L)  
Chamberlain (L)  
Huron  
Lead  
Mitchell  
Pierre  
Rapid City  
Sioux Falls  
Sturgis (L)  
Vermillion  
Winner (L)  
Yankton

**TENNESSEE 2**  
Gallatin  
Jellico

**TEXAS 7**  
Austin  
Beaumont  
Eagle Pass  
El Paso (2)  
Houston (B)  
Houston

**VERMONT 7**  
Barre  
Bellows Falls  
Newport  
Springfield (B)  
White River Junction (WT)  
White River Junction  
Windsor

**VIRGINIA 9**  
Culpeper  
Fredericksburg  
Front Royal  
Lexington  
Salem  
South Boston  
Waynesboro  
Winchester  
Wytheville

**WASHINGTON 12**  
Bellevue  
Bellingham  
Everett  
Longview (B)  
Renton  
Richland  
Seattle  
Spokane (3)  
Walla Walla  
Yakima

**WEST VIRGINIA 2**  
Charles Town  
Martinsburg

**WISCONSIN 1**  
Superior

**WYOMING 8**  
Buffalo (H)  
Douglas (H)  
Gillette (H)  
Laramie (H)  
Newcastle (H)  
Rock Springs  
Torrington (H)  
Wheatland (H)

(B) Britts  
(H) Hesteds  
(L) Lee's  
(T) Taylors  
(WT) Wm. Tally House  
(HH) Holland House







J. J. NEWBERRY CO., 245 FIFTH AVENUE, NEW YORK, N.Y. 10016





*Newberrys*   
IF IT'S QUALITY YOU'RE LOOKING FOR